

## Article - Education

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§19–104.

(a) Any bonds issued under the provisions of this title may be secured by a trust agreement between a system and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the State.

(b) Any trust agreement may pledge or assign all or any part of a system's auxiliary facilities fees and academic fees.

(c) Any trust agreement or any resolution providing for the issuance of bonds may contain provisions for protecting and enforcing the rights and remedies of the bondholders reasonable and proper and not in violation of law, including covenants which shall include but not be limited to:

(1) The duties of a system in relation to the acquisition of property, and the construction, improvement, maintenance, repair, operation, use, and insurance of any auxiliary facilities or any academic facilities authorized under the requirements of this title;

(2) The duties of a system in relation to auxiliary facilities fees and academic fees;

(3) The custody, safeguarding, and application of all money;

(4) Provisions for the employment of independent consultants in connection with the construction or operation of the auxiliary facilities or any academic facilities authorized under the requirements of this title and requirements that a system follow the recommendation of such independent consultants; and

(5) Provisions in the nature of rate covenants requiring the establishment and revision of auxiliary facilities fees and academic fees at certain levels or in accordance with procedures set forth therein or requiring the maintenance of expenses at certain levels or in accordance with procedures set forth therein.

(d) Any bank or trust company incorporated under the laws of the State which acts as a depository of the proceeds of the bonds or revenues may furnish indemnifying bonds or pledge securities as required by a system.

(e) Any trust agreement or any resolution providing for the issuance of bonds may provide the rights and remedies of bondholders and trustees, and may restrict the individual right of action by bondholders.

(f) Any trust agreement or any resolution may contain other provisions a system deems reasonable and proper for the security of the bondholders, including, but not limited to, covenants to abandon, restrict, or prohibit the construction or operation of competing facilities and covenants pertaining to the issuance of additional parity bonds upon stated conditions.

(g) The resolution providing for the issuance of bonds is a trust agreement if it so stipulates.

(h) All expenses incurred in carrying out the provisions of any trust agreement or any resolution may be treated as a part of the cost of the operation of the auxiliary or academic facilities.

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